

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC

In the matter of)	
)	
GTE CORPORATION,)	
Transferor,)	File No.
)	
and)	
)	
BELL ATLANTIC CORPORATION,)	
Transferee.)	
)	
For Consent to Transfer of Control)	

Declaration of Daniel J. Whelan

1. My name is Daniel J. Whelan. I am the President and CEO of Bell Atlantic - Pennsylvania, Inc. ("Bell Atlantic"). I have held that position since March 1, 1997. In my position, I oversee all aspects of Bell Atlantic's business within Pennsylvania, including regulatory, financial and operational matters. I am also responsible for monitoring the competitive environment and business opportunities for local exchange service within the state.

The Pennsylvania Market for Local Telephone Service – Overview

2. Both Bell Atlantic and GTE are franchised incumbent local exchange carriers in Pennsylvania that operate in separate, non-overlapping local service areas. Bell Atlantic provides local exchange service to a majority of the state's population but serves only 40% of its geographic area. GTE is one of thirty-five independent telephone companies that operate in Pennsylvania, and serves approximately 660,000 access lines. Over one hundred companies have applied for CLEC status in the state, and fifty-four have been certified. Bell Atlantic has neither filed for CLEC status in the state, nor has it attempted to compete for local service business within GTE's service area. Similarly, GTE is not a significant competitor, or even a perceived

significant potential competitor, in Bell Atlantic's service area.

Potential Or Actual Bell Atlantic Competition With GTE

3. I am not aware of, nor do I believe there would be, any plan or strategy for Bell Atlantic to compete for local exchange service in GTE's territory in the foreseeable future. I am not aware of any Bell Atlantic study or analysis initiated since the time of the NYNEX merger regarding the provision of local exchange service within GTE's territory in Pennsylvania. Prior to passage of the Telecommunications Act of 1996, York and Erie, two sites within GTE's Pennsylvania territory, were considered as possible areas to provide local service as an adjunct to the launch of long distance service in non-Bell Atlantic service areas in the state. This analysis was undertaken at a time when we thought the 1996 Act would permit us to provide long distance service in Pennsylvania outside of our local service territory. That project died with the enactment of the 1996 Act, however. The Act as passed defined all of Pennsylvania -- including GTE's territory -- as "in-region" for purpose of the long-distance prohibition, and thus caused Bell Atlantic to look elsewhere to offer long distance service. No further consideration of offering local service in GTE's Pennsylvania territory has been studied or considered by Bell Atlantic since then.

GTE's Pennsylvania Territory Would Not Be A Priority For Local Exchange Competition

4. I also can state with confidence that Bell Atlantic is not likely to renew any previous consideration of entering GTE's Pennsylvania territory to compete for local service. GTE's local service territories in Pennsylvania would not be attractive targets from a service or profitability standpoint. GTE's Pennsylvania territories do not contain any attractive concentrations of business or residential customers which would be required to sustain a

profitable CLEC business strategy. Obviously, these territories would not support any large-scale CLEC entry strategy in those areas due to the unfavorable economics of such entry, and no such entry is likely to be considered. In addition, when Bell Atlantic previously considered providing service in some GTE service areas, that analysis assumed that it would offer a competing local service only if it was preceded by a successful long distance offering in those areas. But the long distance service that Bell Atlantic has offered in close by states outside its region since the Act was passed has been anything but successful.

5. The unfavorable economics associated with wide-scale local service entry leaves only the cream-skimming of large, lucrative business customers as an opportunity worth considering. I believe it is highly unlikely, however, that Bell Atlantic would be permitted to offer competitive local service in Pennsylvania on a basis which would allow it to cream-skim the largest and best customers of smaller local telephone companies. No other CLEC has been afforded such entry, and it is virtually unthinkable that state regulators would allow the state's largest local carrier to do so.

6. Additionally, Bell Atlantic's focus once it obtains in-region long-distance relief for Pennsylvania will be on sales and marketing efforts to its in-region customers, with whom it has existing relationships, and who therefore should be its most attractive customers. Out-of-region customers, such as those in GTE's Pennsylvania territories, will not be actively targeted or marketed to for long distance or local service bundled packages. While it is recognized that state-wide media advertising may well generate some limited "spill-over" long distance subscriptions from GTE service territories (even though customers in those areas will not be targeted for marketing), there is no consideration of marketing to that small niche of customers for any form of local service or any bundled service package. The economics associated with the service,

marketing, quality assurance and provisioning of that small, random and disperse customer segment would be unfavorable, and would not support a reasonable business plan for entry into such a service market.

GTE's Competitive Activities Within Bell Atlantic's Pennsylvania Region

7. GTE is not a significant competitor in Bell Atlantic's region. While GTE has negotiated an interconnection agreement for Pennsylvania, GTE has taken no steps to actively initiate such competition. Moreover, competition in Bell Atlantic's service territory is already robust without GTE. There are currently over 100 CLECs in Pennsylvania that have either applied for CLEC status or been certified. Twenty-nine facilities-based carriers have negotiated interconnection agreements with Bell Atlantic. As of July 1998, various CLECs in Pennsylvania served approximately 76,000 in-region lines through resale agreements with Bell Atlantic. Over 20,000 unbundled loops have been leased from Bell Atlantic by competitors, meaning those competitors can enter the market by simply installing switches where desired. Bell Atlantic has furnished roughly 21,000 ported numbers. Finally, facilities-based CLECs are providing approximately 145,000 lines in Pennsylvania, according to our best estimate derived from exchanged minutes-of-use.

8. As these facts demonstrate, GTE's entry into local exchange competition in Bell Atlantic's service area would be essentially irrelevant to existing actual and potential competition in the local service market. I do not perceive GTE to be a significant potential competitor in Bell Atlantic's region, nor do I believe that GTE's entry into that market would have any cognizable effect on the competition already in existence in that market.

I, Daniel J. Whelan, hereby declare under penalty of perjury under the laws of the United States that the above is true and correct to the best of my knowledge and belief.

Daniel J. Whelan